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STATE FOR ISN/CB, VCI/CCB, L/ACV, IO/S SECDEF FOR OSD/ISP JOINT STAFF FOR DD PMA-A FOR WTC COMMERCE FOR BIS (GOLDMAN) NSC FOR LEDDY WINPAC FOR WALTER

E.O. 12958: N/A
TAGS: PARM PREL CWC
SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WRAP-UP FOR THE
WEEK ENDING JUNE 1

This is CWC-50-07.

DG PAPER ON OCPF SITE SELECTION

- ¶1. (U) With regard to the Director General's paper dated May 25, the delegation notes that most of the text addresses the history of selection from the TS perspective, and its rationale for making the changes. There basically were two options: a two-step method analogous to what is currently being done and a one-step process. Both have pros and cons.
- 12. (U) A two-step process with the first step selection of the number of inspections in each State Party with probability proportional to 1 0.5 sqrt (#OCPFs) has the advantage that states with inspectable OCPFs can have a feel for their expected number of annual inspections. However, it would not take into account whether the SP has facilities judged highly relevant to the CWC. The second step would randomly choose the facilities to be inspected using probability proportional to 1 0.5 sqrt (A14), but in the event that the SP has only low relevance facilities, it would be able to select only low "value" sites.
- 13. (U) The one-step process presented has the disadvantage that SPs will not be able to consistently predict their expected number of inspections. The advantage to the TS is that the selection is a function of both the number of facilities and the facilities' relevance, meaning that the inspections will focus on the states with large, relevant industries (this will impact Japan more than the U.S.).
- 14. (U) Finally, the TS proposal continues some of the less desirable elements incorporated into the current method, such as resampling a mere five percent of sites yet to be selected. While noting that over half of the SPs have had at least half of their facilities inspected (and 17 SPs have had all of them inspected), this means that the burden on SPs with large industries (Germany, UK, Italy, Japan, U.S. and China) will eventually be providing 95 per cent of the inspections.
- 15. (U) With regard to the new proposal from facilitator Luis Garcia (Spain), the delegation view is that it has become

even less acceptable. First, the facilitator has accepted the NAM/German view that the anonymous list can include only the number of subsites and the product group code (see Verification Annex IX Section C, para 4). In a nod towards those states wanting more site information, he has included the TS assessment of whether the site is highly, moderately or less relevant to the CWC. This makes it impossible to make reasonable selections.

- 16. (U) Second, the facilitator has put a limit of five points on the facility selections, requiring SPs to choose at least 20 facilities. Given that this is an anonymous, uninformative list of facilities, the delegation sees no reason why a state could not choose to put 50 points on a given site. There is no reason to further "protect" facilities from selection. Third, the required 40 states needed to make nominations before the TS must take them into account is a pretty large number, over half of the states with declarable OCPFs. While one could possibly live with it, the del sees it as a third strike.
- 17. (U) The facilitator asked if the U.S. could join consensus on his proposal, and del rep replied that this was absolutely not possible.

ARTICLE XI

18. (U) In the May 29 WEOG meeting, the Netherlands reported that Iran mentioned China's willingness to serve as facilitator for a new consultation on Article XI. France confirmed that they had heard the same directly from the Chinese delegation.

BUDGET

19. (U) Also in the May 29 WEOG meeting, the budget co-facilitator (Diana Gosens, Netherlands) reported that the TS is to release its draft 2008 budget on June 22, the Friday

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before the EC. The co-facilitators intend to hold their first consultation during the first week of July, the week following the EC. Subsequent meetings would be held after the summer break. Gosens reported that the inspection numbers in the draft budget will remain at their 2007 budget levels - 200 total.

10. (U) Javits sends. GALLAGHER